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Strengthening the role of the European Parliament in the EC's external relations: an immediate agenda

Throughout 2005, Europe has played a leading role in the fight against global poverty. Europe's contribution to the July G8 summit and to the September UN World Summit has increased the expectations held by those people living in poverty across the world. Now is the time for Europe to turn its promises into concrete actions.

Development co-operation has traditionally been a strong Community competence, through which the European Parliament has demonstrated its affinity to respond to one of European citizens' greatest concerns. The transformation of the EC's development co-operation into a global policy instrument that incorporates its relations with industrialised countries, including the US and Japan, would seriously diminish any clarity of focus, and jeopardise the role and relevance of the European Parliament in this key policy area.

The current prospect of a single instrument financing the EU's relations with developing and industrialised countries as part of the external regulatory framework for the next financial period 2007-2013 is the result of a proposal from the Commission. The proposed legal basis for the Development Co-operation and Economic Co-operation Instrument (DCECI) is Article 179 TEC (development cooperation with developing countries) and Article 181a TEC (economic, financial and technical cooperation with industrialised countries). The Commission has argued that the inclusion of both articles is necessary to provide an adequate legal base for the EC's co-operation with developing countries, and that the combination would give the European Parliament a role in the EC's co-operation with non-developing countries. The latter, which is not provided for under the terms of the Treaty, would be achieved through extending the co-decision procedure to Article 181a TEC in the context of this combined instrument.

Two main arguments are still being used to support the Commission's justification for combining Articles 179 and 181a as the legal basis for the DCECI. Both arguments lack validity and should be rejected.

1. The DCECI would give co-decision to the European Parliament on the EU's relations with industrialised countries

Actions in industrialised countries that are financed under the Community budget currently fall under the scope of Regulation 382/2001 concerning the implementation of projects promoting co-operation and commercial relations between the EU and industrialised countries. Over the

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last three years, the EU has spent an average of €16 million¹ per year under this regulation. This should be compared to the €5.5 billion that would be spent on the development co-operation activities of a combined regulation.

Some 70% of the funding for co-operation between the EU and industrialised countries was used to finance executive training programmes in Japan and South Korea that aimed at enhancing the commercial capacity of European companies in these two countries. The remaining 30% financed the setting up of European centres to facilitate the organisation of conferences in the US, Canada, Australia, New Zealand and Japan.

Despite the potential benefits of these financially marginal activities for the European Union, it is doubtful whether the European Parliament's ability to co-decide them justifies the negative impact they would have on Europe's relations with developing countries. Regardless of the limited resources available for co-operation with industrialised countries under this instrument, recent discussions in Council suggest that an extension of the co-decision procedure to Article 181a in the context of the DCEC Instrument would face opposition from the Member States.

2. Some actions in developing countries could not be financed under Article 179 TEC

The Commission maintains that Article 181a TEC is needed to cover certain actions in developing countries that cannot be financed on the basis of Article 179 TEC. This position is not supported by the opinion of the Council Legal Services², nor by the clarification to Article 181a TEC accepted by the Council, Commission and Parliament as set out in the Constitutional Treaty which clearly and specifically stated that this article (transposed to Article III-319 in the Constitutional Treaty) only relates to *"third countries other than developing countries"*. On this basis, Article 181a TEC does not apply to the EC's co-operation with developing countries.

The Commission also seems to have experienced some difficulty in identifying those actions in the EC's co-operation with developing countries that could not be financed on the basis of Article 179 TEC and which, therefore, could only be financed on the basis of Article 181a TEC. Their justifications for including Article 181a TEC within the Development Co-operation and Economic Co-operation Instrument have changed throughout the negotiations. Initially, Commission representatives identified migration activities. Subsequently, Article 181a TEC was stated to be necessary for security activities. Later, other Commission officials were only able to cite the example of financing the police force in Afghanistan. There is a clear lack of conviction on the actual need for Article 181a TEC. In any case, for each example cited by the Commission it appears that either the activity is part of a strategy for long-term development and therefore fits under Article 179a TEC, or where it is not, it should not be justified as part of an instrument for development co-operation. The Stability Instrument, the CFSP or policies in the area of justice and home affairs would arguably be more appropriate for some of these activities.

It is clear that the European Union urgently needs to establish an instrument for financing its development activities from 2007 to 2013. It should ensure that development co-operation is unambiguously the *"principal purpose and object"* of a substantial and dedicated financial instrument,

¹ Commission report on the implementation of the regulation N°382/2001 regarding the implementation of projects promoting cooperation and commercial relations between the European Union and industrialised countries of North America, the Far East and Australasia.

² Opinion of the Council Legal Service N° 8095/05 on the Commission proposal for a Council Regulation establishing an instrument for Stability – legal basis – scope of Community competence.

if the Council Legal Services' interpretation of Article 179 TEC is to be respected. This can be achieved by splitting the current proposal for the DCECI into:

- An instrument for development co-operation to developing countries based on Article **179 TEC**; and
- An instrument for co-operation with industrialised countries which forms the continuation of the regulation on EU co-operation with industrialised countries³ based on Articles 133 and **181a TEC**.

The European Parliament should support an instrument for development co-operation solely based on Article 179 TEC which fosters the long term objective of eradicating poverty in developing countries.

This instrument will be the main channel through which the European Union demonstrates to the world its readiness to take up its responsibility towards people living in poverty. Support from European citizens is vital in this fight for a fairer world. The role of the European Parliament in adopting this instrument and in defining the regional and thematic priorities of the programming process is therefore absolutely crucial if Europe's development efforts are to remain connected to the aspirations of EU citizens.

³ Council Regulation N°382/2001 regarding the implementation of projects promoting cooperation and commercial relations between the European Union and industrialised countries of North America, the Far East and Australasia.